

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------|---|-------------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF DEMA |) | CASE NO. 91-230-E |
| GAS COMPANY, INC. |) | |

O R D E R

On January 15, 1992, the Commission issued its Order in Case No. 91-230 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On March 18, 1993, Dema Gas Company, Inc. ("Dema") filed its quarterly GCA, which is to become effective April 1, 1993 and is to remain in effect until June 30, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Dema's notice of March 18, 1993 set out certain revisions in rates which Dema proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale change in gas cost from its supplier. Dema's expected gas cost ("EGC") for the quarter beginning April 1, 1993 is \$2.7284.

2. Dema's notice included an actual adjustment of 5.7 cents per Mcf to compensate for under-recovery of its gas cost through the operation of its gas cost recovery procedure during the months of October, November, and December 1992.

3. Dema did not propose a refund adjustment.

4. The combined effect of the above adjustments is Dema's gas cost recovery rate ("GCR") in the amount of \$2.7854 per Mcf, a decrease of 56.27 cents per Mcf from its last approved rates.

5. Dema's adjustment in rates, set out in the Appendix to this Order pursuant to the GCA provisions approved by the Commission in its Order in Case No. 91-230 dated January 15, 1992, is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after April 1, 1993.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after April 1, 1993.

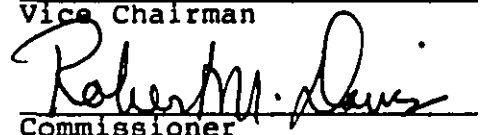
2. Within 30 days of the date of this Order, Dema shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29th day of March, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-230-E DATED March 29, 1993

The following rates and charges are prescribed for the customers in the area served by Dema Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE:

| | <u>Base Rate</u> | <u>GCR</u> | <u>Total Retail Rate</u> |
|--------------|----------------------|------------|----------------------------------|
| First 1 Mcf | \$7.4648 | \$2.7854 | \$ 10.2502/Mcf |
| Over 1 Mcf | 6.2648 | 2.7854 | 9.0502/Mcf |
| Minimum Bill | \$10.25 | | |